

THE BLACKPOOL SIXTH FORM COLLEGE

**Report and Financial Statements
For the Year Ended 31 July 2021**

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Strategic Report

Nature, Objectives and Strategies

The members present their report and the audited financial statements for the year ended 31 July 2021.

Legal Status

The Corporation was established under The Further and Higher Education Act 1992 for the purpose of conducting The Blackpool Sixth Form College. The college is an exempt charity for the purposes of the Charities Act 2011.

The Corporation was incorporated in England and Wales, as The Blackpool Sixth Form College.

Mission

The mission statement for the college as approved by the members is:

Inspiring learning, developing character, building futures

Public Benefit

The college is an exempt charity under the Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The Directors of the Corporation, who are trustees of the charity, are disclosed on page 17.

In setting and reviewing the college's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

The delivery of public benefit is illustrated throughout this report and the college has its own Statement of Public Value.

Implementation of Strategic Development Plan

In July each year the college's one year strategic development plan is issued with the most recent being for the period 1 August 2021 to 31 July 2022. The strategic plan addresses the college's aims and objectives for the coming year. The Corporation monitors the performance of the college against this plan. The strategic development plan is reviewed and updated each year, taking into consideration standards, curriculum, support and leadership.

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Some of the specific targets in the 2020/21 strategic development plan which either directly or indirectly affected the financial status of the college were:

- to manage the impact of Covid-19 across the college and implement lessons learned;
- to review and develop a staged and sustainable maintenance programme for the college estate.

Some of the specific targets which either directly or indirectly demonstrated the public benefit of the college were:

- embed effective strategies to accommodate the loss of learning due to Covid-19;
- embed a culture of physical and mental wellbeing for staff and students;
- further develop students' study skills and wider interpersonal skills;
- better prepare students for appropriate next steps.

The strategic development plan objectives for 2020/21 were all on target to be achieved, however the continued disruption due to Covid-19 meant that two targets were not achieved. All other objectives were achieved (46%), or partially achieved (39%), and the two objectives (15%) not fully achieved have been carried forward to next year.

The target included in the strategic development plan for 2021/22 which directly covers the financial status of the college is:

- further improve the college estate, environment and technology infrastructure to meet current and future needs

In 2021/22 some specific targets which either directly or indirectly demonstrate the public benefit of the college include:

- review the curriculum to ensure that all students are able to succeed despite the impact of Covid-19;
- review the curriculum offer in light of the fast-changing landscape to meet the needs of the students and the local, regional and national economy;
- increase positive progression, taking into account the local context;
- promote our SEND provision and support for vulnerable students to increase applications from these groups and reduce NEET (Not in education, employment or training);
- minimise as far as possible any inequalities as a result of Covid-19.

Financial Objectives

The college remains committed to strong financial management. It is the college's long term aim to sustain strong financial health. To achieve this it will continue to:

- set realistic budgets which are closely monitored and reviewed regularly;
- produce timely and accurate financial reports for the senior leadership team (SLT) and the Corporation;
- work closely with the Education and Skills Funding Agency (ESFA) and keep abreast of funding developments;

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- ensure that expenditure is approved and represents value for money;
- have in place effective financial regulations and procedures that are shared and understood;
- monitor cash flows;
- seek to balance income and expenditure in any financial year and work to avoid any deficits and to effect surpluses;
- include financial analysis and risk management as an integral part of the college's decision making processes, including in relation to capital projects;
- seek alternative sources of income without prejudicing the college's primary mission;
- ensure any borrowings to finance capital projects are affordable and within ESFA guidelines;
- closely monitor capital projects and their effect on college finances;
- closely monitor business planning processes, applications and curriculum development to ensure efficient staffing levels;
- seek revenue savings through energy efficiencies, the reduction in reactive maintenance expenditure, effective procurement and the use of consortia and networks.

Performance Indicators

The college is committed to observing the importance of sector measures and indicators.

The college is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"), which is used to produce the college Financial Health grading. This was measured as "good" at 31 July 2020. The college also has an Ofsted "Outstanding" grade for inspection (May 2009).

The college also measures itself against other key performance indicators which are benchmarked against internal and national targets:

- achievement rates;
- value added; and
- progression to positive destinations.

ALPS (A-Level Performance System) continues to be used as a measure of value added alongside Level 3 value added (L3VA).

ALPS grades 1-3, indicates high performance of the student cohort (top 25%), grades 4-6, indicate average performance of the student cohort and grades 7-9 indicate below average performance of the student cohort (bottom 25%).

Due to the Coronavirus pandemic in 2020 through to 2021, vocational (BTEC and CTEC) students did not have the opportunity to complete all assignments (QCF and RQF) or sit all their external assessments (RQF) from January 2021 onwards. A level students did not have the opportunity to sit their public exams either.

Instead, the college awarded a teacher-assessed grade (TAG) for each A level, level 3 vocational, level 2 vocational and GCSE subject for each student due to complete their studies in summer 2021.

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The college rigorously followed Ofqual, JCQ and DfE guidance on the TAG process. This included an internal quality assurance (QA) process in which all grades were moderated by the head of department, the SLT link and the Principal. The internal QA process was followed by an external QA process led by the awarding organisations. The actual results the students received were almost identical to the TAGs awarded.

It should, therefore, be noted that in this highly unusual year, the pass rates and ALPS grades below are not based on student performance in public examinations, not only in our college but nationally.

College's own internal data and the ALPS data shows the following results against its key performance indicators:

In 2020/21 the college achieved:

- a 2-year pass rate of 100% at vocational (2019/20 100%)
- an ALPS score for value added of 1.08 (band 2) for vocational QCF (vast majority of courses) and of 0.93 (band 5) for vocational RQF (limited number of courses)
- an ALPS score for value added of 1.12 (band 1) for A level (2019/20 1.02 – band 2)

Additionally:

- in Year 2 vocational, 88.8% of students achieved or exceeded their minimum expected grade (2019-20 88.4%) on the QCF specification (vast majority) whilst 64.2% of students achieved or exceeded their minimum expected grade (2019-20 67.8%) on the RQF specification (limited number of students)
- in Year 2 A level, 86.3% of students achieved or exceeded their minimum expected grade (2019/20 74.6%)

Current year data is taken from raw results published on results day and may be subject to change once remarks, etc. are available.

L3 value added data for 2020/21 will not be published as a result of Covid-19. However, in 2018/19 L3 value added was 0.02 for A level (2017/18 +0.09) and 0.18 for BTEC (2017/18 +0.41). In 2018/19 however, very few applied general qualifications were included in the performance tables (only one, BTEC Film and TV) and therefore this is not a true reflection of value added for the vocational programme. In 2020/21 the majority of vocational qualifications have moved to a new specification and will be included in future performance tables.

As at the end of September 2021, the 2020/21 data is showing that 61.6% of upper sixth completers have gone on to higher education, compared to 63.9% last year. Of the remainder, 9.6% (2019/20: 8.3%) are taking a gap year and 24.3% (2019/20: 24%) have gone on to further education, an apprenticeship, the armed forces or employment. There are 0.2% (2019/20: 0.4%) of students currently seeking employment. Currently we have been unable to confirm the destination of 4.3% of upper sixth completers compared to 3.4% last year.

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Inspection

In May 2009 the college was inspected by Ofsted and was awarded an "Outstanding" grade. Inspectors praised the high and fast improving success rates of the college, its outstanding teaching and learning, its exceptional academic and personal skills development and its outstanding strategic leadership and management. Currently, the Principal and Deputy Principal are Ofsted Inspectors.

Financial Position

Financial Results

The college generated an operating surplus in the year of £21,000 (2019/20 £354,000 deficit).

The college has accumulated reserves and net assets of £8.72m, cash balances of £5.98m and long term loans of £3.24m.

The college has significant reliance on the ESFA as its principal funding source, largely from recurrent grants. In 2020/21 the ESFA provided 96% (2019/20 91%) of the college's total income. As a result of this, for the second financial year, Covid-19 did not significantly affect income levels, with only lettings and catering income being lost. Additional costs incurred as a result of the testing of students were funded via ESFA Covid-19 mass testing funding.

Treasury policies and objectives

Treasury management is the management of the college's cash flows, its banking, borrowing and deposit arrangements, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The college has a separate treasury management policy in place. The college has two loans to support the campus redevelopment project of which the college has completed the first five phases with the overwhelming majority of students being taught within these buildings. The first loan, drawn down in September 2010, was originally £3.4m, borrowed from Lloyds TSB over a term of 22 years. The second loan, £2.3m drawn down in December 2011, also borrowed from Lloyds TSB has been made available for borrowing by the European Investment Bank over a term of 16 years.

Any further borrowing arrangements would require the authorisation of the Corporation and should comply with the requirements of the Financial Memorandum, Funding Agreement and any other current regulations.

Cash flows and liquidity

At £1,677,000 (2019/20 £549,000) the operating cash inflow remains positive. There has been capital expenditure of £124,000. The cash balance of £5.98m will be utilised to support the college through a period of austerity following increased costs. It may also be used to support the college to undertake the final stages of the campus redevelopment programme in the future.

Reserves policy

The college is required to hold sufficient reserves to enable it to meet its charitable obligations should there be an unexpected revenue shortfall, to offer flexibility to plan and fund major projects to develop and maintain buildings and facilities, and to complete its accommodation strategy.

The college is committed to retaining the balance on the income and expenditure reserve at a minimum of 25% of income. The current level of unrestricted reserves is £7.07m, which is 60.6% of income.

Current and Future Development and Performance

Student numbers

In 2020/21 the college has generated funding of £10.4m (2019/20 £9.3m) which is above the main ESFA allocation of £9.9m (2019/20 £9m). The college had 2,150 (2019/20 2,091) funded students but had 2,232 on roll at the accounting date. This increase in student numbers has been reflected in the ESFA funding allocation for 2021/22.

Student achievements

Students continue to succeed at the college. Pass rates have increased for A level from 95.8% to 99.5% and for BTEC have remained at 100%. These rates are high which is pleasing however this should be seen in the context of teacher-assessed grades (TAGs) and a year of pandemic.

In terms of value added the college has once again achieved an ALPS score of "2" in BTEC (vast majority of courses). A level has risen from ALPS 2 to ALPS 1 which is very pleasing but again should be seen in the context of the pandemic.

There has been a significant increase this year in the proportion of students achieving or exceeding their minimum expected grade (MEG) in A level, based on TAGs and a small increase in BTEC.

MEGs are calculated using the Level 3 value added formula and in a normal year this is an early indicator of performance against the national Level 3 value added measure which is published in February, however, due to the pandemic and the use of TAGs the performance tables will not be published in February 2022.

Curriculum developments

In 2020/21, the college continued to offer A levels (or equivalent). All A level subjects are linear and assessment normally takes place during the summer term of the second year of study. GCSE provision in maths and English was further refined to maximise opportunities for students to take a November resit wherever appropriate. The Route3 programme, where students complete further studies at level 2 before embarking on a

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level 3 study programme, included BTEC Level 2 Science for the first time in 2020/21. This was offered to students who required a level 2 qualification in science for progression. For 2020/21 the majority of Level 3 vocational courses have moved to the 2016 RQF specifications with the remaining courses moving in 2021/22; these students will certificate in 2022. In 2020/21 a certificate in WJEC Criminology was introduced with students certificating in 2021, achieving pleasing results, before continuing in the upper sixth to complete the full diploma.

The college continues to develop the curriculum to ensure that STEM provision is very much a priority.

Covid-19

The Covid-19 pandemic has forced the college to accelerate investment in technology, and the Technology for Learning Lead has championed various advancements to enable remote learning for all. The college has now successfully implemented a full cross-college 'bring your own device' scheme, building on the success of earlier pilot schemes. Curriculum models allow for the seamless transition between full college opening, partial opening and full closure in response to external virus control measures. It is expected that the forced college closure will have a lasting long-term impact on technology use, timetabling and various associated efficiencies. In the meantime, the financial impact will be felt through additional cleaning resources and staffing requirements necessary to ensure the college remains a safe environment for all.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, require colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2020 to 31 July 2021, the college paid 91.68% (2019/20 91.65%) of its invoices within 30 days but did not incur any late payment charges.

Events after the end of the reporting period

There have been no significant post-balance sheet events.

Fylde Coast Teaching School (FCTS)

The Teaching School's Action Plan for 2020/21 was to sustain the success of the SCITT (School Centred Initial Teacher Training) whilst planning for the de-designation and closure of Fylde Coast Teaching School in preparation for the emergence of the new Teaching School Hubs. Despite some of the year's activity being hindered by the pandemic, both actions were fully achieved. Fylde Coast SCITT has now replaced FCTS, with its sole purpose to provide outstanding teacher training, and a new group, Fylde Coast Education Partnership (FCEP) has been created; the latter being an informal collaboration of schools across all phases for the purpose of sharing best practice and providing school-to-school support.

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The plans for the coming year are to fully embed and enhance the primary offer within Fylde Coast SCITT, working closely with our partner schools in order to provide a pipeline of talented teachers across all phases of education. FCEP will serve as a vehicle to ensure targeted specialist CPD and support continues to be provided to schools; a strand not yet offered by the new Teaching School Hubs.

Future prospects

The college's learner responsive funding for 2021/22 has been confirmed as £10.4m for 2,232 students compared to £9.9m for 2,150 students.

Funded student numbers have increased in 2021/22 by 82 students. This reflects the change in demographic in the local area, a strong marketing strategy, improvements in student retention to upper sixth and increased lower sixth applications and conversion.

The college received £327k in 2020/21 from the ESFA to support student bursaries and free meals. In 2021/22 the college has received £329k which it distributes to students based on household income. Students are being further supported through a college transport bursary and an access fund. Through this financial support students from low income backgrounds are supported to enable them to access education to increase their life chances.

Additionally, in 2021/22 the college will receive funding from the ESFA for the Post-16 Tuition Fund, and Level 3 maths and English funding.

Resources

Tangible Assets

The college has £21.4m in fixed assets. There has been no major construction work during the year.

Financial

The college has £8.72m of net assets (including £5.5m pension liability). As at the 31st July 2021 the college has a long term loan repayable by 2032 of which £2.17m is outstanding and a further long term loan repayable by 2027 of which £1.07m is outstanding.

People

In 2020/21 the college employed an average of 232 people (2019/20: 231), of whom 108 (2019/20: 104) are teaching staff.

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Reputation

The college enjoys a strong reputation locally, regionally and nationally and it works hard to ensure that this status continues, to ensure that students are keen to study here and staff are attracted to work here. The college has seen a significant increase in staff satisfaction over the last few years and the most recent survey reported staff satisfaction to be 95% (an increase of 13 percentage points since 2015). In June 2020 the college was delighted to be awarded Pearson's 'BTEC College of the Year', recognising the commitment and passion of staff and students. This reputation is enhanced by the "Outstanding" Ofsted inspection grade and by the provision of the college's modern facilities. The college works closely with all the local partner high schools, a range of other stakeholders and external groups and has an excellent reputation in the local community. The college has achieved a variety of external accreditations including Dyslexia Friendly, CoLRiC (Council for Learning Resources in Colleges), Mindful Employer status and, more recently, the Lancashire LGBT Quality Mark.

Principal Risks and Uncertainties

The college's Risk Management Policy was reviewed in September 2019 and within it declares the college's approach to risk management and internal control. The following key principles outline this approach:

- a. The board of directors has responsibility for overseeing risk management within the college as a whole;
- b. An open and receptive approach to solving problems is adopted by the board of directors;
- c. The senior leadership team support, advise and implement policies approved by the board of directors;
- d. The college makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
- e. All staff are responsible for encouraging good risk management practice within their designated managed area; and
- f. Key risk indicators are identified and closely monitored on a regular basis.

The directors have assessed the risk appetite of college and concluded that as the college is a proactive organisation with a strong reputation and a sound financial base the acceptable level of risk appetite to be used as a guiding principle in the governance and management of the college would be moderate. This reflects the Corporation's willingness to pursue ambitious development plans as long as any associated risks are assessed and suitable control measures are implemented.

The college's Risk Register highlights those risks which the college considers to be the most serious. The highest ranking risks reported to the Audit Committee in June 2021 included:

- Risk of national pandemic and impact upon the college

The impact of Covid-19 on the college has been assessed, with a separate risk register in place for this purpose, focusing on the wide-ranging implications to the college community. Financial impact is continually assessed, and college has rigorous risk assessments in place, which are continually updated in response to changes in

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national and local guidance. Some risks are associated with decisions outside of the control of the college.

- **Reduction in Financial Health**

Salary costs continue to increase through annual pay and incremental rises, increases in employers National Insurance costs, and pension cost increases. However, government funding levels, although slightly increased for 2021/22, have not yet been increased to the levels considered necessary across the sector, and no long term funding plan has been announced. This has increased the risk that college fails to maintain a ratio of staffing at or below 70% of income, increasing pressure on the overall financial health of the college. The college mitigates this risk through early business planning, continued review of recruitment, monthly KPI reviews, and a rolling 5-year financial plan.

Prevent duty

In July 2015 a legal duty was placed on colleges, amongst others, to show “due regard to the need to prevent people from being drawn into terrorism”. The college has implemented robust safeguards in recognition of this and included the matter on its risk register as part of college safeguarding risks so that it can be monitored regularly by the Corporation.

Stakeholder Relationships

The college has many stakeholders, including:

- students and their parents and carers
- employees
- directors
- Education and Skills Funding Agency (ESFA)
- Sixth Form Colleges Association (SFCA)
- Blackpool Education Improvement Board (BEIB)
- Blackpool Opportunity Area Board
- local authorities including Blackpool Council, Lancashire County Council, Wyre Borough Council and Fylde Council
- local transport providers
- awarding bodies
- members of the Fylde Coast SCITT
- members of the Fylde Coast Education Partnership
- participants in the Fylde Coast Academy Trust
- local community
- community groups who use the college facilities
- partner high schools
- other sixth form and further education colleges
- universities and other training providers
- employers and work experience providers

The college recognises the importance of these relationships and engages in regular contact and communication with them in many ways. Communication methods include such things as the website, the annual report and newsletters. Also the college

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engages with stakeholders through events such as the employability networking event, awards evenings and concerts as well as through more formal meetings and reports.

Taxation

None of the college's activities are subject to corporation tax.

Equality

This college is committed to ensuring the promotion of equality of opportunity for all members of the college community. We seek to create a climate where all forms of discriminatory behaviour are challenged, diversity is celebrated and a culture is generated in which all staff and students are encouraged to flourish and achieve their full potential. The college is keen to advance equality of opportunity for all (in particular, between people who share a protected characteristic and those who do not) and ensure that it underpins all policies, valuing all members of the college community equally. The college aims to foster good relations between all members of its community and, in particular, between people who share a protected characteristic and those who do not.

The college's Equality and Diversity Policy embodies these commitments and details the support and actions taken to ensure the commitments are fulfilled. These commitments are reinforced through the college's core values which underlie everything the college does; respect, inclusion, global citizenship, support, integrity, excellence and high aspirations, and enthusiasm.

Disability Statement

The Blackpool Sixth Form College adheres to the Special Educational Needs and Disability Code of Practice and in particular the responsibilities required of colleges as detailed in chapter 7 of the Code of Practice. The Code of Practice provides statutory guidance on duties relating to Part 3 of the Children and Families Act 2014. The Equality Act sets out the legal obligations post-16 institutions have towards disabled young people. The college will not directly or indirectly discriminate against, harass or victimise disabled young people and will make reasonable adjustments, including the provision of auxiliary aids and services, to ensure that disabled young people are not at a substantial disadvantage compared with their peers.

The college aims to create an environment in which all students are treated as individuals, receive personal support, and provide mutual support for each other whatever the circumstances.

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Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the college to publish information on facility time arrangements for trade union officials at the college for the relevant period (1 April 2020 to 31 March 2021).

Number of employees who were relevant union officials during the relevant period	FTE employee number
4	4

Percentage of time	Number of employees
0%	0
1-50%	4
51-99%	0
100%	0

Total cost of facility time	£8,202
Total pay bill	£8,024,338
Percentage of total bill spent on facility time	0.1%

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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Going Concern

After making appropriate enquiries, the Corporation considers that the college has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

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Disclosure of information to auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the college's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the college's auditors are aware of that information.

Approved by order of the members of the Corporation on 02.12.21 and signed on its behalf by:



Ms W Middlemas, Chair

Professional Advisers

Financial statements auditors and reporting accountants:

Mazars LLP
One St Peters Square
Manchester
M2 3DE

Internal auditors:

RSM Risk Assurance Services LLP
9th Floor
3 Hardman Street
Manchester
M3 3HF

Solicitors:

Eversheds
Cloth Hall Court
Infirmary Street
Leeds

Bankers:

Lloyds Bank
42-46 Market Street,
Manchester,
M1 1PW

Walker Morris
Kings Court
12 King Street
Leeds

Registered Office:

Blackpool Old Road
Blackpool
Lancashire
FY3 7LR

Key Management Personnel

Key management personnel are defined as the Principal and Accounting Officer and the Deputy Principal and were represented by the following in 2020/21:

Jill Gray	Principal and Accounting Officer
Gail Yeadon	Deputy Principal

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Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the college to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements.

The college endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance ("the Code"); and
- iii. having due regard to the UK Corporate Governance Code 2018 insofar as it is applicable to the further education sector, including compliance with the principles of effective leadership, the appointment of a skilled and effective board of directors and good risk management.

The college is committed to exhibiting best practice in all aspects of corporate governance. On 1 July 2015 the college formally adopted the Association of Colleges Code of Good Governance for English Colleges published in March 2015, and continue to comply with this.

We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

The governing body is known as the Corporation and its members are referred to as Directors. In the opinion of the Directors, the college complies with all the provisions of the Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2021. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The college is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Directors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

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The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed below, and have the title 'Director'.

Name	Date of appointment/ re-appointment	Term of office	Date of resignation/ retirement	Category of membership	Committees served during 2020/21	Corporation meeting attendance	Audit meeting attendance
Ms W Middlemas (Chair)	08.04.14 07.04.18 24.09.18	4 years		Member	Remuneration; Search and Governance; Self-Assessment, Administration and Finance, Audit (Observer)	3 of 3	2 of 3
Cllr D Clapham	27.03.12 31.07.17 31.07.18	4 years		Member	Audit; Search & Governance; Self Assessment	3 of 3	3 of 3
Ms J Gray	01.01.15	Ex officio		Principal	All except Remuneration and Audit	3 of 3	3 of 3
Mr N Webster	26.03.13 26.03.17	4 years	22.03.21	Staff		2 of 3	
Ms D Taaffe	05.02.16 28.01.20	4 years		Member	Audit (observer); Administration and Finance; Remuneration	3 of 3	1 of 1
Ms C Coyne	16.02.17 11.06.21	4 years		Member	Audit	1 of 3	3 of 3
Rev S Haskett	04.07.17	4 years	1.12.20	Member	Self Assessment; Search and Governance	1 of 3	
Mr C Simkins	05.02.18	4 years		Member	Remuneration; Audit	3 of 3	2 of 3
Mr A Burr	24.09.18	4 years		Staff	Administration and Finance	3 of 3	
Mr J Saunders	18.11.19	2 years	6.11.20	Student			
Cllr C Baxter	10.06.19	4 years		Member	Administration and Finance; Self Assessment	2 of 3	
Mr J Mannino	28.01.20	4 years		Member	Safeguarding	3 of 3	
Ms A Newton-Leeming	28.01.20	4 years		Member	Search and Governance	1 of 3	
Mr D Gascoigne	27.1.21	4 years		Member	Admin and Finance, Search and Governance	2 of 2	
Mr R Baker	27.1.21	4 years		Member		0 of 2	
Ms S Woodhouse	19.4.21	4 years		Parent		1 of 1	
Ms N Baranowski	17.11.20	2 years		Student		3 of 3	
Ms A Vijayarathnam	17.11.20	2 years		Student		3 of 3	
Ms H Goodrick	23.4.21	4 years		Staff		1 of 1	

The Fylde Coast Academy Trust provides the clerking service to the Corporation

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It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the college together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets at least once each term and also holds an annual conference over two days.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Standards Board (of which all Directors are members), Administration and Finance, Remuneration, Search and Governance, Self-Assessment, and Audit. The Corporation is also a member of the Fylde Coast Academy Trust Safeguarding Board and a designated Safeguarding Director attends these meetings. Minutes from all these meetings are shared with members and, except for those deemed confidential, are available on the college website, (www.blackpoolsixth.ac.uk), or from the clerking service at:

Fylde Coast Academy Trust
c/o Armfield Academy
Lytham Road
Blackpool
Lancashire
FY4 1TL

The clerking service maintains a register of financial and personal interests of the Directors. The register is available for inspection at the above address.

All Directors are able to take independent professional advice in furtherance of their duties at the college's expense and have access to the clerking service, who are responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the clerking service are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Directors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis. Since March 2020, in order to follow social distancing requirements, all meetings have been held virtually and continue to be minuted.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair of the Corporation and Accounting Officer of the college are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee normally comprising a Chair, and up to five other members of the Corporation, including the Accounting Officer, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding 4 years. The usual maximum number of terms is two, although exceptionally the board can extend this if it feels it appropriate. Student Directors are usually appointed for a term of 2 years, or the currency of them being a student at the college, whichever is shorter.

Corporation performance

The Directors' 2020/21 Self-Assessment Report graded college governance as 'Outstanding'. Key strengths included:

- ambitious vision and values that are robust and challenging and demonstrate a strong commitment to inclusive educational provision;
- robust focus on raising educational standards and outcomes;
- strong commitment to staff workload and wellbeing;
- strong focus on stakeholder feedback to drive improvement;
- outstanding safeguarding practice;
- excellent understanding of the roles of directors, with governance structures that are transparent and relevant;
- comprehensive, diverse and effective governing board.

Remuneration Committee

Throughout the year ending 31 July 2021 the college's Remuneration Committee comprised the Chair of the Corporation and two other members from a Committee not represented by the Chair. The Committee's responsibilities are to review the performance of, and to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and the other senior post holder. In May 2014 a clerking service provided by Fylde Coast Academy Trust was appointed and it is the Committee's responsibility to consider the Service Level Agreement and fee for this clerking service.

Details of remuneration for the year ended 31 July 2021 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises three members of the Corporation (excluding the Accounting Officer and Chair). The committee operates in accordance with written terms of reference approved by the Corporation and assesses its own effectiveness and performance on an annual basis against a set of key performance indicators.

The Blackpool Sixth Form College

The Audit Committee meets on a termly basis and provides a forum for reporting by the college's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of college management. The Committee also receives and considers reports from the funding bodies, as they affect the college's business.

The college's internal auditors review the systems of internal control, risk management controls and governance processes in response to requests from management and the committee and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations, and regular reports are provided to the committee to ensure such recommendations have been implemented.

The Audit Committee also advises the Corporation on the appointment of internal, reporting accountants and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

Internal Control

Scope of responsibility

The Corporation is ultimately responsible for the college's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day to day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the college's policies, aims and objectives, whilst safeguarding the effective and efficient use of resources, the solvency of the institution and the corporate body and the safeguarding of their assets. This is done in accordance with the responsibilities assigned to her as required by Section 5(3)(c) of Part 2 of Schedule 4 of the Further and Higher Education Act 1992, and in the Funding Agreement between the college and the funding bodies. She is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the college for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

The Blackpool Sixth Form College

Capacity to handle risk

The Corporation has reviewed the key risks to which the college is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the college's significant risks that has been in place for the period ending 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation;
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines, where appropriate.

The college has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the college is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee, who provide an annual report on the effectiveness of the college's system of risk management, controls and governance processes.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Accounting Officer's review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors and other specialist advisors;
- the work of the Senior Leadership Team within the college who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the college's financial statements auditors and the reporting accountant for regulatory assurance in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Blackpool Sixth Form College

The Accounting Officer and senior leadership team receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Principal and senior leadership team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda and the agenda for each committee meeting include a regular item for consideration of risk and control and receive reports thereon from the senior leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior leadership team and internal audit and specialist advisors, and taking account of events since 31 July 2021.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the college has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

Approved by order of the members of the Corporation on 02.12.21 and signed on its behalf by:



Ms W Middlemas, Chair



Ms J Gray, Accounting Officer

The Blackpool Sixth Form College

Statement of Regularity, Propriety and Compliance

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the college's grant funding agreements and contracts with ESFA. As part of its consideration the Corporation has had due regard to the requirements of grant funding agreements and contracts with ESFA.

We confirm, on behalf of the Corporation, that after due enquiry, and **to the best of our knowledge**, the Corporation is able to identify any material irregular or improper use of funds by the college, or material non-compliance with the terms and conditions of funding, under the college's grant funding agreements and contracts with ESFA or any other public funder.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA.



Ms W Middlemas, Chair

Date: 02.12.21



Ms J Gray, Accounting Officer

Date: 02.12.21

The Blackpool Sixth Form College

Statement of Responsibilities of the Members of the Corporation

The members of the Corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the college's grant funding agreements and contracts with ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions, the College Accounts Direction 2020 to 2021 issued by the ESFA, and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the college and its surplus/deficit of income over expenditure for that period.

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions as appropriate;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the college will continue in operation.

The Corporation is also required to prepare a Strategic Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the college.

The Corporation is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011 and relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard assets of the college and to prevent and detect fraud and other irregularities.

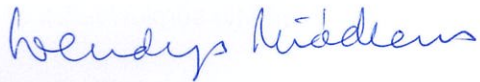
The maintenance and integrity of the college website is the responsibility of the Corporation of the college; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA, and any other public funds, are used only in

The Blackpool Sixth Form College

accordance with ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the college's resources and expenditure, so that the benefits that should be derived from the application of public funds by the ESFA and other public bodies are not put at risk.

Approved by orders of the members of the Corporation on 02.12.21 and signed on its behalf by:



Ms W Middlemas, Chair

The Blackpool Sixth Form College

Independent auditor's report to the members of The Blackpool Sixth Form College

Opinion

We have audited the financial statements of The Blackpool Sixth Form College (the 'College') for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of the College's deficit of expenditure over income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent

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material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 24, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the College and its industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the ESFA funding agreements, the OFS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements.

We evaluated the Members of the Corporation and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls)

The Blackpool Sixth Form College

and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Members of the Corporation and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Members of the Corporation and management on whether they had knowledge of any actual, suspected, or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.



Mazars LLP (Dec 15, 2021 08:34 GMT)

Dec 15, 2021

Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street
Bristol
BS1 6DP

The Blackpool Sixth Form College

To: The corporation of The Blackpool Sixth Form College and Secretary of State for Education acting through Education and Skills Funding Agency ("ESFA")

In accordance with the terms of our engagement letter dated 4th October 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by The Blackpool Sixth Form College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place. This report is made solely to the corporation of The Blackpool Sixth Form College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of The Blackpool Sixth Form College and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the corporation of The Blackpool Sixth Form College and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Blackpool Sixth Form College and the reporting accountant

The corporation of The Blackpool Sixth Form College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

The Blackpool Sixth Form College

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the financial memorandum with the ESFA/funding agreement with the ESFA.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

Signed:


Mazars LLP (Dec 15, 2021 08:34 GMT)

Mazars LLP

Date: Dec 15, 2021

The Blackpool Sixth Form College
Statement of Comprehensive Income
31 July 2021

	Notes	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Income			
Funding body grants	2	11,207	10,239
Tuition fees and education contracts	3	-	-
Research grants and contracts	4	35	30
Other income	5	425	839
Investment income	6	1	22
Total Income		11,668	11,130
Expenditure			
Staff costs	7	8,727	8,184
Other operating expenses	8	1,946	2,291
Depreciation	11	730	768
Interest and other finance costs	9	244	241
Total Expenditure		11,647	11,484
(Deficit)/surplus before tax		21	(354)
Taxation	10	-	-
(Deficit)/surplus for the year		21	(354)
Actuarial gain/(loss) in respect of pension schemes	17	161	(1,671)
Total comprehensive income for the year		182	(2,025)
Represented by:			
Unrestricted comprehensive income for the year		182	(2,200)
Restricted comprehensive income for the year		-	175
		182	(2,025)

**The Blackpool Sixth Form College
Statement of Changes in Reserves
31 July 2021**

	Income and expenditure account	Revaluation reserve	Restricted reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1st August 2019	9,001	1,563	-	10,564
Surplus/(deficit) from the income and expenditure account	(529)	-	175	(354)
Other comprehensive income	(1,671)	-	-	(1,671)
Transfers between revaluation and income and expenditure reserves	45	(45)	-	-
	(2,155)	(45)	175	(2,025)
Balance at 31st July 2020	6,846	1,518	175	8,539
(Deficit) from the income and expenditure account	21	-	-	21
Other comprehensive income	161	-	-	161
Transfers between revaluation and income and expenditure reserves	45	(45)	-	-
Total comprehensive income for the year	227	(45)	-	182
Balance at 31 July 2021	7,073	1,473	175	8,721

The Blackpool Sixth Form College
Balance Sheet
As at 31 July 2021

	Notes	Year ended 31 July 2021	Year ended 31 July 2020
		£'000	£'000
Non current assets			
Tangible Fixed assets	11	21,481	22,087
		21,481	22,087
Current assets			
Stocks		16	15
Trade and other receivables	12	252	270
Cash and cash equivalents	16	5,989	4,889
		6,257	5,174
Less: Creditors – amounts falling due within one year	13	(1,731)	(1,379)
Net current assets		4,526	3,795
Total assets less current liabilities		26,007	25,882
Creditors – amounts falling due after more than one year	13	(11,691)	(12,280)
Provisions			
Defined benefit obligations	15	(5,595)	(5,063)
Total net assets including pension liability		8,721	8,539
Unrestricted reserves			
Income and expenditure account		7,073	6,846
Revaluation reserve		1,473	1,518
		8,546	8,364
Restricted reserves			
Income and expenditure account		175	175
Total reserves		8,721	8,539

The financial statements on pages 31 to 58 were approved and authorised for issue by the Corporation on 02.12.21 and were signed on its behalf on that date by:

Wendy Middlemas

Ms W Middlemas
Chair

Jill Gray

Mrs J Gray
Accounting Officer

The Blackpool Sixth Form College
Statement of Cash Flows
for the year ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Cash flow from operating activities			
(Deficit)/Surplus for the year		21	(354)
Adjustment for non-cash items			
Depreciation	11	730	768
Increase in stock		(1)	(1)
Decrease in trade and other receivables	12	18	(35)
Increase in creditors due within one year	13	342	(222)
Capital grant movement	13	(291)	(296)
Pensions costs less contributions payable	18	693	531
Adjustment for investing or financing			
Investment income	6	(1)	(22)
Interest payable	9	165	180
Loss on sale of fixed assets	11	-	-
Net cash flow from operating activities		<u>1,676</u>	<u>549</u>
Cash flows from investing activities			
Proceeds from sale of assets		-	4
Investment income	6	1	22
Payments made to acquire fixed assets	11	(124)	(89)
		<u>(123)</u>	<u>(63)</u>
Cash flows from financing activities			
Interest paid	9	(165)	(180)
Repayments of amounts borrowed	14	(288)	(277)
		<u>(453)</u>	<u>(457)</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>1,100</u>	<u>29</u>
 Cash and cash equivalents at beginning of the year	16	4,889	4,860
 Cash and cash equivalents at end of the year	16	5,989	4,889

1. Notes to the Accounts

Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions 2019 ("the 2019 HE FE SORP"), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – the "Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102).

The preparation of financial statements in compliance with FRS102 requires the use of critical accounting estimates. It also requires management to exercise judgement in applying the college's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Going concern

The activities of the college, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the college, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The college currently has £2.17m of loans outstanding with bankers on terms negotiated in 2007 and £1.07m of loans outstanding on terms negotiated in 2011. Both of these loans are secured through a negative pledge. The college's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants.

Accordingly, the college has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Government revenue grants include funding body recurrent grants and are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as

The Blackpool Sixth Form College

1. Statement of accounting policies and estimation techniques (continued)

permitted by FRS102. Other capital grants are recognised in income when the college is entitled to the funds subject to any performance related conditions being met.

Income from non-exchange transactions is recognised on entitlement as restricted income.

Income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Grants (including research grants) from non-government sources are recognised in income when the college is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Post-employment benefits

Post-employment benefits to employees of the college are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally funded. They were contracted out of the State Second Pension until 5 April 2016.

The TPS is an unfunded scheme. Contributions to the TPS are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the college in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to enable the college to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the Statement of Comprehensive Income are the current and past service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income in the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses.

1. Statement of accounting policies and estimation techniques (continued)

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the college. Any unused benefits are accrued and measured as the additional amount the college expects to pay as a result of the unused entitlement.

Non-current assets - tangible fixed assets

Land and buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on acquisition. The valuation is based on depreciated replacement cost as the market value is not readily obtainable. The associated credit is included in the revaluation reserve.

Other land and buildings are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated over their expected useful economic life to the college of 50 years. A full year's depreciation is charged in the year of acquisition.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to income in the period it is incurred, unless it increases the future benefit to the college, in which case it is capitalised and depreciated on the relevant basis:

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1. Statement of accounting policies and estimation techniques (continued)

Equipment, plant and machinery

Equipment, plant and machinery costing less than £1,000 per individual item is written off to the income and expenditure account in the year of acquisition. All other items are capitalised at cost and depreciated over their useful economic life as follows:

Equipment	20% per year on a reducing balance basis
Computer equipment	33% per year on a straight line basis
Plant and machinery	5% per year on a straight line basis

A full year's depreciation is charged in the year of acquisition. Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account within creditors and released to income and expenditure account over the expected useful economic life of the related equipment.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term.

Leasing agreements which transfer to the college substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Maintenance of premises

The cost of routine corrective maintenance is charged to income as incurred.

Taxation

The college is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the college is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1 Statement of accounting policies and estimation techniques (continued)

The college is partially exempt in respect of Value Added Tax and can only recover minimal input VAT in respect of its taxable activities. The college is unable to recover input VAT it suffers on goods and services purchased in relation to education provision. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Cash and cash equivalents

Cash includes cash in hand and short-term deposits (3 months or less) held with recognised banks and building societies.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the college has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Provisions and contingent liabilities

Provisions are recognised when

- the college has a present legal or constructive obligation as a result of a past event,
- it is probable that a transfer of economic benefit will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the college a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the college. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

1 Statement of accounting policies and estimation techniques (continued)

Stock

Stock is valued at the lower of cost and selling price less costs to sell.

Judgements in applying accounting policies and key sources of estimation uncertainty

Key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- *Bursary income and expenditure*

Bursary funding from the Education and Skills Funding Agency is recognised in funding body income, with all associated expenditure included in other operating expenses. This judgement has been applied on the basis that the college acts as Principal as opposed to Agent, retaining the ability to control the use of the funds received.

The Blackpool Sixth Form College

2 Funding Body Grants

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Recurrent grants		
Education and Skills Funding Agency -16-19	10,521	9,409
Specific grants		
Education and Skills Funding Agency	374	454
Other non-recurrent grants	21	80
Release of government capital grants	291	296
Total	11,207	10,239

3 Tuition Fees and Education Contracts

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Apprenticeship fees and contracts	-	-
Total	-	-

The Blackpool Sixth Form College

4 Other Grants and Contracts

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Other grants and contracts	35	30
	<u>35</u>	<u>30</u>

5 Other Income

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Other income generating activities	215	262
Catering	210	402
Non-exchange contracts	-	175
	<u>425</u>	<u>839</u>

6 Investment Income

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Other interest receivable	1	22
	<u>1</u>	<u>22</u>

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7 Staff Costs

The average monthly number of persons (including key management personnel) employed by the college during the year was:

	Year ended 31 July 2021 Number	Year ended 31 July 2020 Number
Teaching staff	108	104
Non teaching staff	124	127
	<u>232</u>	<u>231</u>

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Staff costs for the above persons:		
Wages and salaries	6,308	6,041
Social security costs	599	567
Other pension costs (including FRS102(28) adjustments of £614 in 2021 and £470k in 2020)	1,820	1,576
Total staff costs	<u>8,727</u>	<u>8,184</u>

In 2020/21 there were two pay awards for teaching staff; 2% effective from 1st September 2020, and a further 1.25% effective from 1st May 2021.

Support staff pay awards for 2020/21 were:

2% effective from 1st October 2020

2.5% effective from 1st January 2021, and

3.25% effective from 1st May 2021

These pay awards were based on rates in place as at 1st April 2020.

Key management personnel salaries were subject to separate review. No severance payments were made in 2020/21 (2019/20 Nil).

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7 Staff costs (continued)

Key management personnel

Key management personnel are those persons having authority for planning, directing and controlling the activities of the college and are represented by the Principal and Deputy Principal.

Emoluments of key management personnel, Accounting Officer and other higher paid staff

	2021 Number	2020 Number
The number of key management personnel including the Accounting Officer was:	2	2

The number of key management personnel and other staff who received annual emoluments excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	Year ended 31 July 2021		Year ended 31 July 2020	
	Number senior post- holders	Number Other Staff	Number senior post- holders	Number Other Staff
£60,001 to £65,000	-	1	-	2
£65,001 to £70,000	-	-	-	1
£75,001 to £80,000	-	-	1	-
£85,001 to £90,000	1	-	-	-
£115,001 to £120,000	-	-	1	-
£125,001 to £130,000	1	-	-	-
	<u>2</u>	<u>1</u>	<u>2</u>	<u>3</u>

Including part time workers grossed up to full time equivalent, no additional members of staff were paid in the £60,001 to £65,000 banding in 2020/21 (2020/21: 1).

Key management personnel emoluments are made up as follows:

	2021 £000	2020 £000
Salaries	211	196
Employers National Insurance	<u>27</u>	<u>25</u>
	238	221
Pension contributions	48	45
Total key management personnel emoluments	<u><u>286</u></u>	<u><u>266</u></u>

The Blackpool Sixth Form College

7 Staff costs (continued)

Bonuses were awarded and paid to key management personnel during the year. These were awarded but waived in 2019/20. There were no salary sacrifice arrangements in place.

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid senior post holder) of:

	Year Ended 31 July 2021 £000	Year Ended 31 July 2020 £000
Salary	120	117
Bonus	6	0
	<u>126</u>	<u>117</u>
Pension contributions	<u>28</u>	<u>27</u>

The remuneration package of the Principal is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The Principal reports to the Chair of the Governing Body, who undertakes an annual review of her performance against the college's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Principal pay and remuneration expressed as a multiple:

Principal's basic salary as a multiple of the median of all staff: 3.67

Principal's total remuneration as a multiple of the median of all staff: 3.91

The pension contributions in respect of the Accounting Officer and senior post-holders are in respect of employer's contributions to the Teachers' Pension Scheme and are paid at the same rate as for other employees.

The members of the Corporation other than the Accounting Officer and the staff members did not receive any payment from the college other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

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8 Other Operating Expenses

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Teaching costs	410	400
Non teaching costs	998	1,439
Premises costs	538	452
Total	1,946	2,291
Other operating expenses include:	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Auditors' remuneration:		
External auditors - financial statements audit	22	19
Internal audit	-	-
Other services	-	4
Hire of plant and machinery - operating leases	7	7

The Blackpool Sixth Form College

9 Interest and other finance costs

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
On bank loans, overdrafts and other loans:	165	180
	<hr/> 165	<hr/> 180
Net interest on defined pension liability (see note 17)	79	61
	<hr/> 244	<hr/> 241

10 Taxation

The Directors do not believe the college was liable for any corporation tax arising out of activities during this or the prior year.

The Blackpool Sixth Form College

11 Tangible Fixed Assets

	Freehold land and buildings	Plant & Machinery	Equipment	Computers	Leased Assets	Total
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At 1 August 2020	26,789	2,270	2,337	1,425	10	32,831
Additions	18	54	25	27	-	124
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 July 2021	26,807	2,324	2,362	1,452	10	32,955
Depreciation						
At 1 August 2020	6,181	1,122	2,039	1,392	10	10,744
Charge for year	522	116	65	27	-	730
Eliminated in respect of disposals	-	-	-	-	-	-
At 31 July 2021	6,703	1,238	2,104	1,419	10	11,474
Net book value At 31 July 2021	20,104	1,086	258	33	-	21,481
 Net book value At 31 July 2020	 20,608	 1,148	 298	 33	 -	 22,087
 Inherited	 1,473	 -	 -	 -	 -	 1,473
Financed by capital grant	8,520	494	26	-	-	9,040
Other	10,111	592	232	33	-	10,968
Net book value At 31 July 2021	20,104	1,086	258	33	-	21,481

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11 Tangible Fixed Assets (continued)

Inherited land and buildings were valued in 1994 at depreciated replacement cost by a firm of independent chartered surveyors.

Other tangible fixed assets inherited from the LEA at incorporation have been valued by the college on depreciated replacement cost basis with the assistance of independent professional advice.

Land and buildings with a net book value of £1,473,000 (2020: £1,518,000) have been financed by local education sources. Should these assets be sold, the college may be liable, under the terms of the Finance Memorandum, to surrender the proceeds.

Included in the net book value of freehold land and buildings at 31st July 2021 is £592,000 (2020: £592,000) relating to land which is not depreciated

If inherited land and buildings had not been valued they would have been included at the following amounts:

	£000
Cost	-
Aggregate depreciation based on cost	-
Net book value based on cost	<u><u>-</u></u>

The Blackpool Sixth Form College

12 Trade and other receivables

	31 July 2021 £000	31 July 2020 £000
Amounts falling due within one year		
Trade receivables	65	87
Prepayments and accrued income	146	135
Other receivables	41	48
Total	<u>252</u>	<u>270</u>

13 Creditors

	31 July 2021 £000	31 July 2020 £000
Amounts falling due within one year		
Bank loans and overdrafts	300	289
Trade payables	107	21
Other taxation and social security	147	140
Accruals and deferred income	263	261
Amount owing to the ESFA	218	2
Other creditors	77	73
Deferred income – government capital grants	290	291
Deferred income – government revenue grants	56	53
Holiday pay accrual	273	249
Total	<u>1,731</u>	<u>1,379</u>

	31 July 2021 £000	31 July 2020 £000
Amounts falling due after more than one year		
Bank loans and overdrafts	2,941	3,240
Deferred income – government capital grants	8,750	9,040
Total	<u>11,691</u>	<u>12,280</u>

The Blackpool Sixth Form College

14 Bank loans and overdrafts

	31 July 2021 £000	31 July 2020 £000
Bank loans and overdrafts are repayable as follows:		
In one year or less	300	289
Between one and two years	313	300
Between two and five years	1,020	978
In five years or more	1,608	1,962
Total	<u>3,241</u>	<u>3,529</u>

Bank loans are secured by a negative pledge. £386,000 is repayable in monthly installments at a rate linked to base rate. £1,966,000 is repayable in monthly installments at a fixed rate of 5.31% plus 0.85% margin and £889,000 is repayable in monthly installments at a fixed rate of 2.875% plus 1% margin.

15 Provisions

	At 1 August 2020 £000	Increase in the period £000	At 31 July 2021 £000
Defined benefit obligations	5,063	532	5,595
Total	<u>5,063</u>	<u>532</u>	<u>5,595</u>

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government Pension Scheme. Further details are given in Note 17.

16 Cash and cash equivalents

	At 1 August 2020 £000	Cashflows £000	Other changes £000	At 31 July 2021 £000
Cash and cash equivalents	4,889	1,100	-	5,989
Total	<u>4,889</u>	<u>1,100</u>	<u>-</u>	<u>5,989</u>

The Blackpool Sixth Form College

17 Defined benefit obligations

The college's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Council. Both are defined-benefit plans.

Total pension cost for the year	31 July 2021 £000	31 July 2020 £000
Teachers Pension Scheme: contributions paid	921	868
Local Government Pension Scheme Contributions paid	285	238
FRS 102 (28) charge	614	470
Charge to the Statement of Comprehensive Income (staff costs)	899	708
Total Pension Cost for Year	<u>1,820</u>	<u>1,576</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuations of the TPS was 31 March 2019 and the LGPS 31 March 2019. Contributions amounting to £35,752 (2019/20: £30,739) were payable to the LGPS and £Nil (2019/20: £Nil) were payable to the TPS at 31st July and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the college has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

17 Defined benefit obligations (continued)

As a result of the valuation, employer contribution rates were set at 23.6% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department has agreed to pay a teacher pension employer contribution grant to cover the additional costs until July 2022.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £1,284,877 (2019/20: £1,220,317)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 July 2021 were £411,328 (2020: £354,289), of which employer's contributions totalled £285,218 (2020: £238,026) and employees' contributions totalled £126,110 (2020: £116,263). The agreed future contribution rates are 13% to April 2021, 14.2% to April 2022 and 15.4% to April 2023, and a rate between 5.5% and 12.5% for employees depending on their salary level.

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

These accounts show a past service cost of £Nil (2020: £22,000) in respect of the McCloud / Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. The calculation of adjustment to past service costs arising from the outcome of the Court of Appeal judgement is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- future pay growth
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI.

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17 Defined benefit obligations (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 by a qualified independent actuary.

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	4.1%	3.8%
Rate of increase for pensions in payment / inflation	2.7%	2.4%
Discount rate for scheme liabilities	1.6%	1.6%
Inflation assumption (CPI)	2.6%	2.3%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement aged 65 are:

	At 31 July 2021	At 31 July 2020
Retiring today:		
Males	22.4	22.3
Females	25.1	25
Retiring in twenty years:		
Males	23.9	23.8
Females	26.9	26.8

The assets in the plan (of which the college's share is estimated to be 0.08%) and the expected rates of return were:

	Value at 31 July 2021 £'000	Value at 31 July 2020 £'000
Equities	4,145	3,153
Bonds	435	477
Property	821	940
Cash	172	124
Other	2,635	2,219
Total fair value of plan assets	8,208	6,913
Actual return on plan assets	988	(159)

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17 Defined benefit obligations (continued)

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2021 £'000	2020 £'000
Fair Value of plan assets	(8,208)	(6,913)
Present value of plan liabilities	13,803	11,976
Net pensions liability (Note 15)	<u>5,595</u>	<u>5,063</u>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2021 £'000	2020 £'000
Amounts included in staff costs:		
Employer service cost (net of employer contributions)	(601)	(436)
Administration expenses	(13)	(12)
Net interest cost	(79)	(61)
Past service cost	-	(22)
Total	<u>(693)</u>	<u>(531)</u>

	At 31 July 2021 £'000	At 31 July 2020 £'000
Amount recognised in other comprehensive income:		
Remeasurements (liabilities)	(713)	(1,124)
Remeasurements (assets)	874	(547)
Total	<u>161</u>	<u>(1,671)</u>

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17 Defined benefit obligations (continued)

	2021	2020
	£'000	£'000
Movement in net defined liability during year		
Deficit in scheme at 1 August	(5,063)	(2,861)
Movement in year:		
Employer service cost	(885)	(673)
Employer contributions	284	237
Administration expenses	(13)	(12)
Net interest	(79)	(61)
Past service cost	-	(22)
Actuarial gain or loss	161	(1,671)
Net defined liability at 31 July	<u>(5,595)</u>	<u>(5,063)</u>
 Asset and liability reconciliation		
	At 31 July	At 31 July
	2021	2020
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	11,976	9,935
Service cost	885	673
Interest cost	192	219
Employee contributions	126	116
Remeasurement losses/(gain)	713	1,124
Benefits/transfers paid	(89)	(113)
Past Service cost	-	22
Defined benefit obligations at end of period	<u>13,803</u>	<u>11,976</u>
 Changes in fair value of plan assets		
Fair value of plan assets at start of period	6,913	7,074
Interest on plan assets	113	158
Remeasurement (losses)/gain	874	(547)
Employer contributions	284	237
Employee contributions	126	116
Benefits/transfers paid	(89)	(113)
Administration expenses	(13)	(12)
Fair value of plan assets at end of period	<u>8,208</u>	<u>6,913</u>

The Blackpool Sixth Form College

18 Events after the reporting period

There have been no significant events after the reporting period.

19 Capital and other commitments

	31 July 2021 £000	31 July 2020 £000
Commitments contracted for at 31 July	-	-

20 Lease Obligations

At 31 July the college had future minimum lease payments under non-cancellable operating leases as follows:

	31 July 2021 £000	31 July 2020 £000
Future minimum lease payments due		
Equipment		
Not later than one year	6	6
Later than one year and not later than five years	1	5
Later than five years	-	-
	<u>7</u>	<u>11</u>

The lease expense accounted for during the year amounted to £7k (2019:£7k).

The Blackpool Sixth Form College

21 Related Party Transactions

Due to the nature of the college's operations and the composition of the Corporation (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a Director of the Corporation may have an interest. All transactions involving organisations in which a Director may have an interest are conducted at arm's length and in accordance with the college's financial regulations and normal procurement procedures. The agenda for each meeting contains a standard item for declaration of interest in connection with any of the items on the agenda.

The total expenses paid to or on behalf of the directors during the year was £Nil (2020: £Nil). No director has received any remuneration or waived payments from the college during the year (2020: None).

Fylde Coast Teaching School Limited – an associate of The Blackpool Sixth Form College

There were sales ledger transactions in the year amounting to £191,201 (2020: £208,161) primarily in relation to the recharge of staffing costs for staff secondment and staff on joint employment contracts, and administration services. There were purchase ledger transactions in the year amounting to £3,600 (2020: £2,579), primarily in relation to staffing costs. At the end of the year Fylde Coast Teaching School owed college £33,772 (2020: £76,600), and college owed Fylde Coast Teaching School £3,500 (2020: £Nil).

Fylde Coast Academy Trust – an associate of The Blackpool Sixth Form College

There were sales ledger transactions in the year amounting to £Nil (2020: £Nil). There were purchase ledger transactions in the year amounting to £15,200 (2020: £42,300), primarily in relation to the provision of governance services and teaching staff costs. At the end of the year the Fylde Coast Academy Trust owed college £Nil (2020: £Nil) and college owed Fylde Coast Academy Trust £Nil (2020: £Nil).

Fylde Coast SCITT – an associate of The Blackpool Sixth Form College

There were sales ledger transactions in the year amounting to £3,120 (2020: £Nil) in relation to placement costs. There were no purchase ledger transactions in the year (2020: £Nil). At the end of the year the Fylde Coast SCITT owed college £3,120 (2020: £Nil) and college owed Fylde Coast SCITT £Nil (2020: £Nil).